



## **IRS Late Tax Law Changes FAQ**

### **What is the Federal Extender Legislation and how does it affect me?**

This legislation extended several federal income tax deductions that had expired at the end of 2010. As a result of the Congressional action taken late last year, the IRS has announced it will not process e-file or paper returns from certain taxpayers until mid-to-late February. Taxpayers who itemize their federal Income Tax return (federal Schedule A), or claim the Higher Education Tuition and Fees Deduction, or the Educator Expense Deduction on their federal return may need to wait until mid-to-late February to file their federal return, depending on their tax preparer/software.

The delay in processing of the federal returns may lead to slower processing of Michigan income tax returns, that include the Schedule and deductions noted above. Please visit the IRS Web site at [www.irs.gov](http://www.irs.gov) for additional reasons federal return processing will be delayed, and specific updates as to when affected returns will be accepted and processed.

### **If my federal return includes a Schedule A claims the Higher Education Tuition and Fees deduction or the Educator Expense Deduction, what will happen if I file before mid-to-late February?**

If your tax preparer (or tax preparation software) does not support the State-Only e-file method, your federal and Michigan returns may be held by your tax preparer or software provider until the IRS is ready to process them. You should check with your tax preparer or software provider to determine how your return may be handled.

### **If the IRS is not processing any returns that include a Schedule A, the Higher Education Tuition and Fees Deduction or the Educator Expense Deduction until mid-to-late February, is my software accurately computing my Michigan Individual Income Tax return?**

Yes. The delay is only in the processing of the federal return. The software will be able to compute the federal and Michigan individual income tax returns correctly.

### **My tax return contains federal forms that can not be filed until mid-to-late February. Do I have to wait to file my Michigan return also?**

No. The delay is only in the processing of the federal return. If your software supports the State-Only e-file method, you can e-file your Michigan individual income tax return now and your federal return in mid-to-late February. If your software does not support the State-Only e-file method, both your federal and Michigan returns will be held by your tax preparer or software provider until the IRS is ready to process the affected returns.

E-filing is the fastest and most efficient method of filing your Michigan tax return. Filing more than one return for the same tax year, either by paper or e-file could delay your refund.

**Should I paper file instead of e-file my federal return that includes a Schedule A, or the Higher Education Tuition and Fees Deduction or the Educator Expense Deduction? Will it be processed faster?**

No. E-filed returns are processed faster than paper returns. The IRS is not processing any returns that are affected by the late federal tax law changes, either e-filed or by paper until mid-to-late February.

**Can I e-file my State return by itself (State-Only)?**

Yes, if your software supports that filing method. Please contact your tax preparer, software provider or visit the IRS Web site [www.irs.gov](http://www.irs.gov) or Michigan Web site [www.michigan.gov/taxes](http://www.michigan.gov/taxes) for more information.

If your software does not support the State-Only e-file method, both your federal and Michigan returns will be held by your tax preparer or software provider until the IRS is ready to process the affected returns.

E-filing is the fastest and most efficient method of filing your Michigan tax return. Filing more than one return for the same tax year, either by paper or e-file could delay your refund.

**My tax preparer or software package indicated they are holding my federal return that includes a Schedule A, or the Higher Education Tuition and Fees Deduction or the Educator Expense Deduction until the IRS is ready to process it in mid-to-late February. Is this okay?**

Yes, the IRS has informed tax preparers and software providers that they may hold returns that include itemized deduction (Schedule A) or claim the Higher Education Tuition and Fees Deduction or the Educator Expense Deduction until the IRS notifies them they can be filed. Your tax preparer or software should have advised you that your federal return will not be e-filed until the IRS can process the return.

**If my tax preparer or software package is holding my return until it can be e-filed, should I paper file now instead of waiting until mid-to-late February for my e-filed return to be processed?**

No, e-filing is the most efficient method of filing. Your preparer will e-file your federal return as soon as the IRS is ready to begin processing them. If your software supports the State-Only e-file method, you can e-file your Michigan individual income tax return now and your federal return in mid-to-late February.

If your software does not support the State-Only e-file method, both your federal and Michigan returns will be held by your tax preparer or software provider until the IRS is ready to process the returns affected